

Office of the
Legislative Fiscal Analyst

FY 2003 Budget Recommendations

Joint Appropriations Subcommittee for
Public Education

Utah State Office of Education
Child Nutrition Programs

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1.0 Summary: Child Nutrition

Child Nutrition Programs are federal assistance programs with the purpose of offering high quality, nutritionally well-balanced meals and to develop nutrition awareness among students. The program offers low cost or free meals to children in public and non-profit private schools. The state contribution to the nutrition programs is roughly 15% of the overall funding, most of which is generated through the liquor tax.

The Child Nutrition staff provides technical assistance as requested by participants; develops an annual financial and staffing plan; provides free and reduced price meal policy; interprets state and federal regulations; and performs administrative and nutritional reviews in districts and institutions to assure compliance with state and federal regulations.

The Analyst recommends \$87,747,300 for the Child Nutrition Programs, including \$162,700 from the Uniform School Fund. This amount reflects \$300 in across-the-board administrative cuts not already discussed by the Subcommittee.

	Analyst FY 2003 Base	Analyst FY 2003 Changes	Analyst FY 2003 Total
Financing			
Uniform School Fund	163,000	(300)	162,700
Federal Funds	72,584,100		72,584,100
Dedicated Credits Revenue	15,000,500		15,000,500
Total	<u>\$87,747,600</u>	<u>(\$300)</u>	<u>\$87,747,300</u>
Programs			
Child Nutrition	87,747,600	(300)	87,747,300
Total	<u>\$87,747,600</u>	<u>(\$300)</u>	<u>\$87,747,300</u>
FTE/Other			
Total FTE	26		26

2.0 Issues: Child Nutrition

2.1 FY 2002 Recurring Reductions

Through supplemental budget action, the Legislature rescinded \$7,900 in ongoing Uniform School Funds from Child Nutrition Programs. The State Board of Education was allowed discretion in determining how these cuts would be implemented.

2.2 FY 2003 Administrative Savings

The Legislature approved a 10% reduction in certain administrative cost categories as part of FY 2002 Supplemental action. That amount for FY 2002 was pro-rated for time that had already passed. For FY 2003, the full 10% is recommended by the analyst. This is an impact of -\$300 in the Child Nutrition Programs.

3.0 Programs: Child Nutrition

3.1 Child Nutrition Programs

Recommendation The Analyst recommends an appropriation of \$87,747,300 for FY 2003.

	2001	2002	2003	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Uniform School Fund	167,300	170,500	162,700	(7,800)
Uniform School Fund, One-time		(7,900)		7,900
Federal Funds	72,245,900	72,581,400	72,584,100	2,700
Dedicated Credits Revenue	14,696,300	14,999,800	15,000,500	700
Total	\$87,109,500	\$87,743,800	\$87,747,300	\$3,500
Expenditures				
Personal Services	1,168,300	1,243,900	1,251,300	7,400
In-State Travel	20,600	20,400	20,600	200
Out of State Travel	13,100	13,100	13,100	
Current Expense	1,204,900	1,204,100	1,203,500	(600)
DP Current Expense	7,900	7,900	7,900	
Other Charges/Pass Thru	84,694,700	85,254,400	85,250,900	(3,500)
Total	\$87,109,500	\$87,743,800	\$87,747,300	\$3,500
FTE/Other				
Total FTE	26	26	26	

Program Overview

The federal nutrition programs are authorized under the National School Lunch Act of 1946, the Child Nutrition Act of 1966, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The goal is to improve the nutritional well being of children, enabling them to reach their full potential. The following are the primary programs administered by the Child Nutrition Section at USOE, in accordance with USDA regulations.

- ▶ National School Lunch
- ▶ National School Breakfast
- ▶ Child and Adult Care Food
- ▶ Summer Food Service
- ▶ Special Milk
- ▶ Food Distribution
- ▶ Nutrition Education and Training
- ▶ After School Snacks

The fundamental nutrition programs are detailed below.

National School Lunch Program (NSLP)

The National School Lunch Program is the primary Child Nutrition Program. Four funding sources contribute to the NSLP, namely, Federal Funds, State Funds, USDA Commodities and Local Revenue. State funds are generated primarily by the liquor tax, roughly 12-13% of the total legislative appropriation. Commodities include items such as meat, vegetables, cheese, and staples such as flour, oils etc., serving a dual need; support for the agriculture industry, and the nutritional needs of children.

Meals must meet the nutritional requirements of the “Dietary Guidelines for Americans,” published by the USDA and U.S. Department of Health and Human Services, providing for one-third of a child’s daily nutritional requirements. Free and Reduced price lunches are available for children who meet certain guidelines detailed in section 4.1.

*National School
Breakfast Program
(NSBP)*

The School Breakfast Program is an optional program for schools. The same criteria used in determining the need for free or reduced price lunch is used for the breakfast program, see section 4.1. Federal and local funds are used for the Regular and Severe Need Breakfast Programs.

The Severe Need Breakfast Program aids schools with 40% or more of their population qualifying for free or reduced price lunches. The program enables these children the opportunity to have at least two nutritionally balanced meals each day. The State Office of Education tracks which schools could qualify for the program and notifies them that they are eligible.

*Special Milk Program
(SMP)*

The Special Milk Program provides milk for children who do not participate in other nutrition programs, for example, children attending split-session kindergarten. The federal government provides a reimbursement for each half-pint of milk. Children are charged the difference between the reimbursement and the actual cost. Milk is provided free of charge to eligible children, the reimbursement will cover the full cost in this instance.

*Summer Food Service
Program
(SFSP)*

This program provides meals on a regular basis during the summer. To be eligible the school must show that 50% or more of their students were served free or reduced price meals. If the need is demonstrated, then all children who attend the school are eligible to participate. The Summer Food Service Program is entirely federally funded.

*Food Distribution
Program
(FDP)*

The USDA makes foods available to institutions and programs that provide nutritional services to eligible persons. These programs include the National School Lunch Program, the Child and Adult Care Food Program and the Summer Food Service Program. Participating agencies enter into an annual agreement to receive commodities.

The Emergency Food Assistance Program (TEFAP) provides food and federal cash assistance to food banks, pantries and emergency shelters. Foods are distributed through local pantries to individuals in economic distress and for meal services at shelters. The cash assistance helps food banks defray the expense of administration of the program and in the storage and distribution of the food. The state appropriation supports state level administrative expenses, including warehouse receipt and some distribution to shelters.

**Performance
Measures**

The following table shows a historical comparison of child nutrition services. The table provides information for the major components of the child nutrition program, National School Lunch, National School Breakfast, Severe Need School Breakfast, Special Milk Program, and the Summer Food Service Program. Complete information may be found in the Financial and Statistical Summary of the Child Nutrition Programs produced by the USOE.

Child Nutrition Programs: Participation History						
		School Lunch	School Breakfast	Severe Need Breakfast	Special Milk	Summer Food Service
2000	Number of Sites	748	194	312	75	144
	Free	12,128,651	545,778	2,972,686	10,508	
	Reduced Price	5,467,606	157,957	515,728		
	Paid	27,228,362	395,378	556,895	187,076	
	Total Meals Served	44,824,619	1,099,113	4,045,309	197,584	868,217
1999	Number of Sites	740	172	291	67	137
	Free	11,952,252	525,110	2,841,658	4,469	
	Reduced Price	5,463,971	141,640	467,924		
	Paid	26,955,975	329,374	494,497	157,955	
	Total Meals Served	44,372,198	996,124	3,804,079	162,424	885,874
1998	Number of Sites	740	178	297	61	132
	Free	11,774,069	498,262	2,740,913	6,950	
	Reduced Price	5,254,619	124,356	427,062		
	Paid	26,070,421	296,253	494,761	198,968	
	Total Meals Served	43,099,109	918,871	3,662,736	205,918	879,604

4.0 Additional Information: Child Nutrition

4.1 Funding History

	1999	2000	2001	2002	2003
Financing	Actual	Actual	Actual	Estimated	Analyst
Uniform School Fund	161,500	164,400	167,300	170,500	162,700
Uniform School Fund, One-time				(7,900)	
Federal Funds	80,252,400	72,285,700	72,245,900	72,581,400	72,584,100
Dedicated Credits Revenue		13,916,400	14,696,300	14,999,800	15,000,500
USFR - Liquor Tax	12,778,000				
Total	\$93,191,900	\$86,366,500	\$87,109,500	\$87,743,800	\$87,747,300
Programs					
Child Nutrition	93,191,900	86,366,500	87,109,500	87,743,800	87,747,300
Total	\$93,191,900	\$86,366,500	\$87,109,500	\$87,743,800	\$87,747,300
Expenditures					
Personal Services	1,135,700	1,153,300	1,168,300	1,243,900	1,251,300
In-State Travel	28,900	19,800	20,600	20,400	20,600
Out of State Travel	16,100	19,900	13,100	13,100	13,100
Current Expense	1,141,800	1,250,700	1,204,900	1,204,100	1,203,500
DP Current Expense	36,100	27,900	7,900	7,900	7,900
DP Capital Outlay		14,000			
Other Charges/Pass Thru	90,833,300	83,880,900	84,694,700	85,254,400	85,250,900
Total	\$93,191,900	\$86,366,500	\$87,109,500	\$87,743,800	\$87,747,300
FTE/Other					
Total FTE	26		26	26	26

4.2 Child Nutrition: Free and Reduced Price Guidelines

Federal Guidelines

Schools are required to serve meals at no charge to children whose household income is at or below 130 percent of the Federal poverty guidelines. Children are entitled to pay a reduced price (a maximum of 40 cents for lunch, 30 cents for breakfast and 15 cents for a snack) if their household income is above 130 percent but at or below 185 percent of these guidelines. Children are automatically eligible for free school meals if their household receives food stamps, benefits under the Food Distribution Program on Indian Reservations or, in most cases, benefits under the Temporary Assistance for Needy Families (TANF) program.

Eligible Household Income Guidelines

All income actually received by the household is counted in determining eligibility for free and reduced price meals. This includes salary, public assistance benefits, social security payments, pensions, unemployment compensation etc. The only exceptions are benefits under Federal programs which, by law, are excluded from consideration; in-kind benefits, such as military on-base housing, certain kinds of assistance for students and irregular income from occasional small jobs such as baby-sitting or lawn mowing.